

Message Text

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ORIGIN ARA-14

INFO OCT-01 EUR-12 ISO-00 SSO-00 INRE-00 NSCE-00
USIE-00 CIAE-00 DODE-00 PM-05 H-01 INR-07 L-03
NSAE-00 PA-01 PRS-01 SP-02 SS-15 ACDA-12 AID-05
EB-08 TRSE-00 OMB-01 /088 R

DRAFTED BY ARA/AND:MRBARNEBEY
APPROVED BY ARA:RARELLANO
ARA - FMCNEIL
ARA/AND/P - CFULLER
-----029238 131715Z /47

O 131654Z DEC 77
FM SECSTATE WASHDC
TO AMEMBASSY LIMA IMMEDIATE
INFO AMEMBASSY MOSCOW IMMEDIATE

C O N F I D E N T I A L STATE 296861

E.O. 11652: GDS

TAGS: EFIN, PE, UR

SUBJECT: PERUVIAN FINANCIAL PROBLEMS: INDICATION OF
SOVIET INTEREST

1. SOVIET EMBASSY FIRST SECRETARY NIKOLAYENKO CALLED
AT HIS REQUEST DECEMBER 12 ON ARA/AND DIRECTOR BARNEBEY.
IN COURSE OF CONVERSATION, WHICH ALSO COVERED OTHER
ANDEAN TOPICS OF CURRENT INTEREST, NIKOLAYENKO DISCUSSED
PERUVIAN FINANCIAL PLIGHT AS IT RELATES TO ARMS SALES TO
PERU. NIKOLAYENKO'S FIRST REFERENCE WAS TO ARRIVAL OF
PERUVIAN VICE MINISTER OF FINANCE, SAYING THAT "THE
PERUVIANS" HAD INFORMED HIM OF THE VICE MINISTER'S
ARRIVAL. NIKOLAYENKO ASKED WITH WHOM THE VICE MINISTER
WOULD BE DEALING; RESPONSE WAS THAT WE PRESUME VICE
MINISTER IS IN CONTACT WITH IMF TO DEAL WITH CURRENT GOP
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FINANCIAL PROBLEMS. NIKOLAYENKO ASKED IF GOP AND IMF HAD
REACHED AGREEMENT ON A STANDBY LAST MONTH; BARNEBEY
CONFIRMED THAT STANDBY AGREEMENT HAD BEEN REACHED, BUT
OFFERED NO DETAILS.

2. NIKOLAYENKO WAS ASKED IF GOP HAD MADE ANY APPROACH TO
USSR IN CONNECTION WITH ITS CURRENT FINANCIAL PROBLEMS.

(NOTE: NO REFERENCE WAS MADE IN THE CONVERSATION TO ANY SPECIFIC SOVIET ACTION, SUCH AS DEFERRAL OF SCHEDULED

REPAYMENTS FOR ARMS). NIKOLAYENKO SAID THAT "AS FAR AS HE KNEW" NO SUCH APPROACH HAD BEEN MADE, EITHER HERE OR IN MOSCOW OR LIMA. NIKOLAYENKO WENT ON TO ASK IF "THE BANKERS" WILL COME TO PERU'S ASSISTANCE AT THIS TIME, AND WHETHER THE USG WOULD BE DEALING WITH THE GOP ON THIS PROBLEM. RESPONSE WAS THAT VICE MINISTER IS, AS FAR AS WE KNOW, DEALING WITH IMF, BUT MAY WELL ALSO DEAL WITH PRIVATE BANKERS AND USG.

3. COMMENT: NIKOLAYENKO'S VOLUNTEERING THAT HE KNEW PERUVIAN VICE MINISTER OF FINANCE IS IN TOWN AND HIS QUESTION ON GOP AGREEMENT WITH IMF LEAD ARA BUREAU TO CONCLUDE THAT PERUVIANS HAVE INDEED MADE AN APPROACH TO THE SOVIETS. WE BELIEVE THAT NIKOLAYENKO'S VISIT WAS A "FISHING EXPEDITION" TO TRY TO FIND OUT WHAT OTHERS ARE DOING AT THE SAME TIME THAT USSR IS BEING ASKED TO ROLL OVER REPAYMENTS FOR ARMS. NOTHING IN THIS CONVERSATION WOULD INDICATE THAT THE SOVIETS HAVE REACHED ANY DECISION NOT REPEAT NOT TO PROVIDE RELIEF VIA ROLL-OVER. OUR OPINION IS THAT THE SOVIETS HAVE LITTLE CHOICE IN THE MATTER AND, HOWEVER RELUCTANTLY, MUST ACCEDE TO PERUVIAN REQUEST IN ORDER TO MAINTAIN PRESENT REASONABLY CORDIAL RELATIONS WITH PERU IN LATTER'S TIME OF FINANCIAL NEED. CONFIDENTIAL

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WE WOULD BE INTERESTED IN ANY INFORMATION WHICH EMBASSY LIMA OR EMBASSY MOSCOW MAY ASCERTAIN REGARDING SOVIET INTENTIONS THIS REGARD. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL STABILITY
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE296861
Document Source: CORE
Document Unique ID: 00
Drafter: MRBARNEBEY
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770463-1121
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From: STATE
Handling Restrictions: n/a
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Litigation Code IDs:
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Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
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Review Action: RELEASED, APPROVED
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 254943
Secure: OPEN
Status: NATIVE
Subject: PERUVIAN FINANCIAL PROBLEMS: INDICATION OF SOVIET INTEREST
TAGS: EFIN, PE, UR
To: LIMA
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/5869a905-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009